

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
FRESNO DIVISION

In re ) Case No. 17-13797-B-9  
TULARE LOCAL HEALTHCARE )  
DISTRICT, ) DC No. WW-1  
Debtor. )  
\_\_\_\_\_ )

**ORDER SHORTENING TIME FOR HEARING ON MOTION FOR  
AUTHORIZATION TO REJECT EXECUTORY CONTRACT  
(HEALTHCARE CONGLOMERATE ASSOCIATES, LLC)**

On October 10, 2017, the Debtor, Tulare Local Healthcare District ("Tulare Healthcare") filed an Application for an Order Shortening Time for a hearing on its Motion to Reject an Executory Contract with Healthcare Conglomerate Associates, LLC ("HCCA") (Doc. No. 26) ("application"). HCCA filed opposition to the application on October 10, 2017 at approximately 4:37 p.m. (Doc. No. 29). Tulare Healthcare filed a reply on October 11, 2017 at approximately 9:20 a.m. (Doc. No. 43). The court has read and considered the documents filed by all parties relating to the application.

The underlying motion relates to agreements between Tulare Healthcare and HCCA about the operation of Tulare Healthcare's facilities and payments to HCCA. The application is supported by a declaration of Tulare Healthcare's bankruptcy counsel which states in part:

"The counter party to the subject executory contract has threatened to terminate or suspend all

1 employees of the hospital which will imperil health  
2 and safety of patients and result in a cessation of  
3 hospital operations." The declaration goes on to say,  
4 "the emergency hearing is necessary for the Debtor to  
regain control over its hospital, healthcare  
facilities and finances." (Doc. No. 27).

5 HCCA's opposition to the application does not dispute those  
6 statements and admits that a hearing on the motion should be on  
7 shortened notice. However, HCCA requests a period of time to  
8 fully brief opposition to the motion. HCCA suggests that a  
9 hearing be held October 19, 2017 at 1:30 p.m. and proposes  
10 opposition be filed and served by noon, October 17, 2017, and  
11 that a reply be filed by 4:00 p.m., October 18, 2017.

12 In reply, Tulare Healthcare alleges that HCCA does not  
13 share important information with Tulare Healthcare about the  
14 latter's finances; that Tulare Healthcare soon expects an influx  
15 of funds which HCCA will retain if the proposed rejection of the  
16 executory contract is approved by the court; that HCCA is  
17 stalling, jeopardizing the safety of patients and the livelihood  
18 of Tulare Healthcare's employees. The allegations are not  
19 supported by evidence or references to evidence elsewhere in the  
20 record.

21 Federal Rule of Bankruptcy Procedure 9006(c)(1) permits the  
22 court "for cause shown" to exercise its discretion to reduce  
23 time periods provided by the Federal Bankruptcy Rules. LBR  
24 9014-1(f)(3) permits a court "for cause shown" to shorten a  
25 hearing on a motion to fewer than 14 days.

26 The court finds cause to shorten time here. Without an  
27 exhaustive review of the contracts at issue, the court is left  
28 with the essentially undisputed statements of Debtor's counsel

1 as to the need for a very prompt hearing on this issue. At the  
2 same time, the unsupported allegations contained in the  
3 application or reply do not state a legal or factual basis to  
4 deprive HCCA of the right to file an appropriate opposition to  
5 the underlying motion on an accelerated basis.

6 Accordingly, and for good cause appearing,


7 IT IS ORDERED, that a hearing on Tulare Healthcare's Motion  
8 for Authorization to Reject Executory Contract shall be held  
9 Thursday, October 12, 2017, at 10:30 a.m., before the Honorable  
10 René Lastreto II, in Department B, Courtroom 13, Fifth Floor,  
11 U.S. Courthouse, 2500 Tulare Street, Fresno, California.

12 IT IS FURTHER ORDERED, that Tulare Healthcare shall serve  
13 notice to HCCA, the California Department of Public Health, all  
14 known creditors; the Debtor; the United States Trustee's Office  
15 at email or first class mail by October 10, 2017.

16 IT IS FURTHER ORDERED, that no opposition needs to be filed  
17 before and can be stated at the hearing. The court will  
18 entertain suggestions for the scheduling of this matter on an  
19 accelerated basis and will entertain suggestions for interim  
20 orders to be issued pending the hearing on the underlying  
21 motion.

22  
23  
24 **Dated:** Oct 11, 2017

**By the Court**

25  
26   
27 René Lastreto II, Judge  
28 United States Bankruptcy Court

**Instructions to Clerk of Court  
Service List - Not Part of Order/Judgment**

The Clerk of Court is instructed to send the Order/Judgment or other court generated document transmitted herewith to the parties below. The Clerk of Court will send the Order via the BNC or, if checked  X , via the U.S. mail.

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